



Loan Enrollment Procedures with Document Checklist

Step 1 – LENDER UNDERWRITING AND ELIGIBILITY SCREENING: The Lender should complete the Collateral Support Loan Enrollment Form and Eligibility Questionnaire during the traditional underwriting process to determine whether the Borrower meets the Treasury and DC guidelines for funding. After completing the Form, the following documents should be submitted via email to ifeanyichukwu.egbuniwe@dc.gov in order to schedule a compliance meeting by phone or in person:

- ☐ Unexecuted Loan Enrollment Form and Eligibility Questionnaire
- ☐ Copy of the Lender's Credit Analysis (with appraisal or other valuation of collateral)
- ☐ Copy of the Borrower's Loan Application
- ☐ Borrower's Business Plan (**required only for start-ups and Borrowers that have been in business for 2 years or less**)

Step 2 – DISB COMPLIANCE MEETING OR CONFERENCE CALL: After receiving the documents from Step 1, the DISB will schedule a compliance meeting with the Loan Officer to discuss any compliance issues and make recommendations for changes prior to the loan being submitted to the Lender's Loan Committee. The Lender should work with the DISB to resolve as many compliance issues as possible before submitting the loan for loan committee approval.

Step 3 – RESERVATION OF FUNDS (OPTIONAL): After completing the compliance meeting, and resolving all compliance issues discussed during the meeting, the Lender may request a 60-day reservation of funds by emailing IfeanyiChukwu Egbuniwe at ifeanyichukwu.egbuniwe@dc.gov

Step 4 – LOAN COMMITTEE APPROVAL: Loan Application is submitted to Lender's Loan Committee for review and approval.

Step 5 – DOCUMENTATION: After receiving the 60-day reservation of funds, the Lender should immediately begin forwarding to the DISB the documentation required to close the loan. Failure to submit the documents with sufficient time to be reviewed by the Program Manager and the Department's General Counsel, could delay the closing. At a minimum, the Borrower should submit the following list of documents at least five (5) business days before the closing date:

- ☐ Copy of the Loan Committee Approval
- ☐ Proof of Borrower's CBE Certification



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- ☐ Borrower's Charter documents
- ☐ Appraisal or Other Valuation of Collateral
- ☐ Loan Agreement
- ☐ Note
- ☐ Security Agreement(s)
- ☐ Personal Guaranty from each owners with at least 20% interest in Borrower
- ☐ Borrower financial statements for the three (3) immediately preceding fiscal years
- ☐ Borrower tax returns for the three (3) immediately preceding fiscal years
- ☐ Guarantor's tax returns for the three (3) immediately preceding years
- ☐ The Cash Collateral Deposit Agreement (this document will be sent to the Borrower and Lender by the DISB to ensure the parties have agreement on the language prior to final approval and closing)
- ☐ Certificate of Good Standing with the D.C. Department of Consumer and Regulatory Affairs
- ☐ Certificate of Clean Hands from the D.C. Office of Tax and Revenue

Step 6 – FINAL APPROVAL: The DISB will send an official approval letter to the Lender and Borrower, along with an execution version of the closing documents. At this stage, the only condition to DCCSP funding of the transaction is that the parties use the execution version of the documents. Any additional changes after the approval letter has been issued must be reviewed and approved by the DISB prior to closing.

Step 7 – CLOSING AND LOAN ENROLLMENT: The Borrower and Lender will execute all approved loan documents at closing, including the Cash Collateral Deposit Agreement, and the Lender will wire the applicable closing fees to the District government. The DISB will be present at closing to collect all of the documents and begin the request for transferring the cash collateral funds. The Office of the Chief Financial Officer will wire the funds to the Cash Collateral Account within 5 business days of receiving the following documents:

- ☐ Executed Loan Enrollment Form and Eligibility Questionnaire
- ☐ Executed copies of the documents from Step 5

Step 8 – SERVICING AND RATES: The Lender assumes full responsibility for servicing the loan as well as the payment of annual fees due to the District of Columbia under the Cash Collateral Deposit Agreement. The Lender is responsible for providing monthly statements to the



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DISB for each loan enrolled in the Program. Monthly statements should include remaining principal balance of the loan and amount to be paid by Borrower. Monthly statements for all enrolled loan accounts may be consolidated into a single statement. Monthly statements are due to the DISB within ten (10) business days of the previous calendar month end. The Lender must notify the DISB when any loan falls sixty days past due on a quarterly basis.

On or before January 15th of each year, the DISB will send to the Lender an Annual Report Form (CSP-LAR-2013) requesting the Lender to certify that the itemized beginning and outstanding principal balances and Cash Collateral Amounts for each Enrolled Loan contained in the Annual Report Form accurately reflect the corresponding figures on the Lender's books and records. This Annual Report Form must be signed and returned to the DISB by January 31st. The DISB will send to the Borrower a separate form (CSP-BEIR-2013), requesting information about the jobs created and retained as a result of the credit facility.

Upon repayment of a loan, the collateral deposit must be returned to the DISB. The DISB may also request partial return of the collateral deposit that corresponds to ongoing principal reduction in the loan in order to maintain the original ratio of the collateral deposit to loan principal. Lines of credit that have an outstanding balance of zero (0) dollars for twelve (12) consecutive months will no longer be considered enrolled in the Program, unless sixty (60) days before the expiration of the twelve (12) month period, the Lender submits a credit write-up stating that the line of credit account will remain open and substantiating the Borrower's need for the Cash Collateral. The Lender must submit the credit write-up along with the Borrower's financial statements (audited if available) and Guarantor's personal financial statement and tax returns.

The Program charges a Closing Fee on the total Cash Collateral at closing and an Annual Fee of the annual balance of the Cash Collateral Account. A schedule of DCCSP rates is as follows:

1. Closing Fees
 - a. 1% for 12 months or less
 - b. 1.5% for 12 months to 3 years
 - c. 2% for 3 to 7 years
2. Annual Fees
 - a. 1% for 12 months or less
 - b. 1.5% for 12 months to 3 years
 - c. 2% for 3 to 7 years